MTAC Workgroup 114
Service Standards and Measurement for Market-Dominant Products
Full Workgroup
April 13, 2007 Meeting Minutes

Building a Service Performance Measurement System

Jeff Lewis, USPS full workgroup co-chair, kicked off the meeting by introducing Melissa Starr and Christine Friesz, from IBM, who briefed the workgroup on what is involved in developing a service performance measurement system. (A copy of the presentation has been posted on the workgroup web site.)

IBM has been conducting transit time studies since 1990, and has conducted studies for the USPS on First-Class Mail single piece, presort, remittance mail, Standard Mail, Periodicals, International, parcels and competitive products. IBM has a variety of experience in this arena, beyond its administration of the External First-Class Mail Measurement System (EXFC) for the USPS, and has developed a methodology specific to this field of study.

Statistical Design. The concept of the methodology used for measuring service performance is simple, IBM noted, but the complexity lies in the details. There are many questions that need to be asked and answered in the design process to set up a measurement system. The process starts with the statistical design. It's not practical to measure every single piece of mail, so a statistical design is needed to determine how to choose the sample to measure accurately. The sample should be reflective of real mail flows, with a defined measurement period.

The design should provide for continuous measurement across the desired measurement period, including all days, weeks, and months in the period, and should follow live mailing patterns to the extent possible. There are documented differences depending on the day of the week, IBM noted. The design also must define the field of study you want measured (e.g., performance of a mailing, or all letters, cards, flats, etc.

Once the design is developed, the process must meet the desired stratification and geographic coverage by spreading inductions and receipts accordingly. A variety of characteristics could be used, such as address type (handwritten vs. machine-addressed), barcoded, shape/weight, postage type, day of the week the mail is sent/received, physical characteristics, etc.

The sample design also must provide for a geographic stratification to ensure coverage across all areas covered by the product being measured, such as major metro area to major metro area, major metro area to rural areas of a specific size, rural areas to rural areas, etc. Some systems seek to estimate performance for all mailing originating from an area with a certain precision, or all mail destinating to a certain area. IBM noted that origin/destination combinations are more complex.

The question of how big the sample size must be, something that has come up in the workgroup's discussions, is a complex one, IBM reported. The sample size required is largely determined by the number of sample groups to be measured, the desired level of precision for more detailed cuts of the data, and the time period for which precision is needed. Larger sample sizes can improve the precision, IBM noted, but the sample must represent the field of study well to be accurate. A simple random sample size of 1,067 achieves precision of +/- 3%, IBM commented in its presentation. Much discussion ensued relative to this number, and IBM cautioned that this is a commonly-used number in statistics, but you'd have to decide what you are measuring first. The representation of what you are measuring matters more than the sample size at times. For example, a well-known opinion poll conducted in 1932 of a couple of million sample size on politics was clearly inaccurate because it was not a representative sample.

Some workgroup members asked if there is anything in the Postal Accountability and Enhancement Act (PAEA) that prescribes the statistical confidence level. Kathy Siviter, PostCom, industry full workgroup co-chair, suggested that if whatever is presented to the Postal Regulatory Commission (PRC) is consistent with commonly accepted statistical models, then the PRC likely would assess the proposal in that light, but if the proposal were not consistent with commonly accepted practices, then they would look at it differently.

The USPS was asked if IBM's presentation is something that the USPS is proposing, or just information to get the workgroup thinking. Mr. Lewis responded that it is the latter, and the information is being presented to help baseline discussions about measurement systems and perhaps help the workgroup develop a checklist for thinking about measurement.

IBM commented that, for example, a measurement of the 101st letter in a tray of letters moving through the system together may not be provide the same amount of information about service as if you measured a single piece in 101 different trays. The point is the sample has to represent the population, and you have to make that sample as good as possible because of the costs of doing larger samples. Where you can measure all the pieces of that type and it makes sense from a cost perspective, then do it. But there are aspects of all these products where that probably is not possible, IBM suggested.

The workgroup asked if that meant, for instance, that if you were doing a sample size of 1,067 of Periodicals and found by looking at that class that a vast majority of the volume was entered by large publications, and there were a large number of publications that are very small, then that type of sample might not give a very accurate picture of what is going on with service for those smaller publications. IBM agreed, stressed that you want to make sure your sample does not exclude a big portion of the population. Getting to the sample size comes at the very end of defining the population and understanding the differences. It is a combination of sampling the right things and the number of samples, IBM said. In looking at service performance over time, one bad day should not be the measurement for all nonmachinable pieces, for example. It has to be a representative measure over time.

Other factors that drive the sample size, IBM said, are the variability of the results (e.g., more samples needed if the results are closer to 50% on time, and less samples needed if the results are closer to 100% on time). The number and correlation between the test pieces mailed at the same time is also a factor. The more pieces are correlated, the less information you have. There is also the issue of which pieces from the sample are usable after business rules are applied. There could be data anomalies, for instance, and you have to decide what to do with that data.

Ms. Siviter noted that in examples on earlier slides, IBM had used "percent on time" as a potential measurement result. She asked what impact it would have on sample design if you measured the number of days until the pieces in the sample were delivered, beyond the window in the standard (e.g., tail of the mail). IBM responded that percent delivered within the standard is a common way to measure, but it is equally common to use a window. Some other countries use windows where it is ok if a percent is delivered early, but they want a profile of how much is delivered in 1 day, 2 days, 3 days, etc. and an average number of days. You can use a percent delivered on time, or during a 1-x day period, but there needs to be some practical cut off to that period, it could not be 45 years, for example. Many countries use 30 days as a cut off, IBM noted.

Test Mail Fabrication. The next phase of developing a measurement system is the mail fabrication if test mail is needed. Depending on what you are trying to measure, you may or may not need test mail, IBM noted. If you can get the answer using live mail, that is one approach, but if, for instance, you wanted to measure only blue postcards, you

would have to fabricate mail to reach a sufficient sample size. If you are using test mail, who makes it? A third party? Partner with mailers? Some things would be impossible for a third party to fabricate, such as Periodicals, IBM said. Then there is the question of how you get the test pieces in the mail stream, how the mail needs to travel and get to all the places it needs to originate and destinate for measurement purposes.

If you are fabricating test mail, you may need to get it into mailings that meet your measurement criteria, which means matching test pieces to participants (e.g., seeding receiver names into mailings), and timing and coordination. How far ahead would the third party or mailer need the information to make the samples?

Another issue is that of address standards, IBM noted. The quality of the address is important – what checks are done up front versus later in the process? Should the test pieces include mail that is forwarded or might encounter other delays?

Induction. Once the test mail is fabricated, it must be inducted into the mail stream. How will the senders/mailers be managed? Where do they need to be located? What types of mail acceptance are needed (collection box, post office, DDU, DSCF, DBMC, BMEU, etc.)? How will the Start the Clock data be validated? What will the induction rules be and when will the induction data be removed? IBM stressed again that the sample should be representative, and it would need to be determined what data is good and what should be discarded (e.g., the Start the Clock is a year out of date, etc.).

Receipt. The receipt of the test mail is the next step in the design process. Are receivers needed and, if so, how many and where? What types of delivery addresses are needed? There are training, recruiting and performance monitoring activities necessary. How will performance issues be handled? How many pieces can be delivered to the same receiver without compromising the confidentiality of the study or over-burdening the receiver?

Ms. Siviter asked if there is any data around the latter question, and IBM responded that it depends on what you are studying. If it's Periodicals, for instance, households may get 5-6 Periodicals per week. It depends on the product and what would be normal in the mailstream for that type of address to receive. It also depends on how much is too much for the receiver. If they are receiving $10 coupons, for instance, they would not care how many. There also is the issue that having the same information to the same address over and over is not as much information as if you used many addresses, so you need to weigh the costs. There is a trade-off between training receivers to be accurate and costs, IBM said. From a statistical point of view, it is better to have more responders, but from an operations point of view that may not be practical.

Shelley Dreifuss, Office of the Consumer Advocate, Postal Regulatory Commission, asked how the process works with EXFC in terms of responders and whether they are paid/not-paid, how often they change, etc. Mr. Lewis responded that the USPS asked IBM not to discuss EXFC and would like the workgroup not to ask about that system either. It was difficult to set up ground rules for this presentation and discussion, he noted, because there are commercial interests and proprietary information at stake. He encouraged Ms. Dreifuss to meet separately with IBM to discuss those issues specific to the EXFC program

Another issue relative to receipt, IBM reported, is that of how the Stop the Clock data will be validated, what those rules will be, and when the receipt data is removed. There needs to be a balance between what's right for the study and the cost/burden on the receivers.

Data Validation. Once the measurement system is designed and implemented, there need to be processes to validate the statistical assumptions and the results. The weighting methodology for metrics will need to be validated, and the design will rely on having data about the characteristics of the population being measured to ensure it is representative. There also need to be business rules establishing about suspicious/questionable data in terms of how to identify it, investigate it and decide whether or not to keep the data. For instance, the business rules would have to address handling of data for pieces missing valid Start the Clock or Stop the Clock, pieces that were forwarded or returned to sender, data from a receiver who has a pattern of "bad" reporting, extreme circumstances (e.g., hurricanes, blizzards, blackouts), etc.

Reporting. Lastly, there is the issue of the service performance measurement reporting. What deliverables are needed in terms of reports and data files? Who are the recipients (USPS, mailers, PRC/Congress, etc.) and what level of reporting is needed for each (e.g., national, mailer-specific, sample group, etc.). How frequently should the deliverables be released?

Ms. Siviter noted that one of the Postal Service's needs from measurement data is that it be timely and actionable, so results that are received weeks later would not allow the USPS to act on those service issues. How quickly can data be returned from a seed type of measurement system, she asked. IBM responded that it depends on what you are measuring and the continuity of data, as well as the confidence level. For instance, preliminary data could be returned very quickly, but it may not be representative of performance over a longer period and data analysis could determine that the preliminary data were flawed, etc.

Quality. IBM concluded its presentation with a discussion of quality. The credibility of a measurement system depends on the quality processes used. The system must be able to withstand scrutiny from mailers and USPS stakeholders, Congress, the GAO, etc. The process must include the ability to identify and respond to quality issues. It must be able to respond to changes and make developments over time (e.g., FSS, network redesign).

In summary, IBM noted that there are numerous considerations in developing an external measurement system that vary depending on the objectives and priorities of the stakeholders, the product being measured, and the level of detail required.

Q&A. Dennis Farley, ESPN, Periodicals subgroup industry co-chair, asked if there is value in measuring a piece that looks the same all the time, is inducted in the same manner, at the same place, on a clearly defined frequency to the same recipient weekly. IBM responded that there are many factors to be considered. How the USPS performed on a single day is of interest, over time is of interest, across geography, etc. That all goes into the information of value.

Mr. Lewis noted that the Periodicals population of mail is different than collection box mail because it is more fixed in terms of entry and exit points. How does that affect what happens in terms of sampling systems or measurement, he asked. IBM said that you build that into your system design. If you start from the perspective that you are not measuring everything, then you need an approach to ensure your sample is representative. If you measure everything, it is not a statistical sample, but if not, you need to define to produce randomness which could come from selecting which publishers, magazines, etc. are included and then relying on that frequency, or use only subsets of data from various things.

Mr. Lewis asked it that means that if something has a lot of variation it needs more samples, but if something has less it needs less samples. IBM concurred, noting that, for instance, entry at a particular location is less variable than entry at 350,000 destinations.

Subgroup Updates

The four subgroups provided updates on their progress to date. Two of the subgroups used presentation slides, which are provided on the workgroup web site.

First-Class Mail Subgroup. Chris Oronzio, First-Class Mail subgroup USPS co-chair, gave an update on the status of that subgroup to date. The subgroup has met twice, with the 2nd meeting held yesterday. It has discussed the business rules and First-Class Mail existing service standards. The subgroup has reviewed some data, and issues such as non-reciprocity of O/D pairs (to be discussed later), and ZIPs outside the contiguous United States (to be discussed later), international mail, remittance mail, forwarding/PARS, and First-Class Mail parcels.

The subgroup has a positive momentum, Mr. Oronzio reported, with 2 future meetings set up and proposed meeting dates every 2 weeks on Tuesdays over the summer. The subgroup plans to finalize its recommendations on service standards over the next 2 meetings. The subgroup has touched on measurement, but more discussion is needed there once the standards have been finalized.

Periodicals Subgroup. Periodicals subgroup co-chairs Dennis Farley, ESPN, industry subgroup co-chair, and JoAnn Miller, USPS subgroup co-chair, jointly presented an update on the subgroup's progress to date. The subgroup has held 3 meetings to date.

At its first meeting on Feb. 28, the subgroup discussions included standards and measurement, and the subgroup agreed to move ahead with the existing Periodicals service standards as represented on the USPS' service standards CD/software. Discussions that led to this decision centered around the business rules the existing standards are based on, whether or not the USPS consistently achieves the existing service standards, and what data is available to support different service standards. The subgroup agreed that lacking data to support a decision to change the existing standards, it would move forward with the existing standards with further review when data is available.

Periodicals mailers support the Intelligent Mail Barcode as a form of measurement, but there are some issues that need to be resolved. Periodicals mailers are not currently participating in Intelligent Mail Barcode or seamless acceptance testing, but are talking about doing so. Issues with the Intelligent Mail Barcode include the size of the barcode, whether larger space requirements would be needed in the address block area (a valuable editorial space for Periodicals publishers), software requirements, and how smaller Periodicals mailers or local newspapers would use it.

The subgroup met on March 11 and 19 in a smaller group to learn more about the Red Tag measurement system used by industry. On March 20 the full subgroup held a telecon to further discuss the Red Tag system. Red Tag is a nonprofit association that has been conducting an external service performance measurement system for years, widely used by the Periodicals industry. The group is looking at doing a test of the Red Tag system publications in the New York metro area to see if Red Tag data can be tied to Intelligent Mail initiatives such as barcoded pallet placards, as a potential interim measurement approach.

Mr. Lewis said that the reason for the discussions and exploration of Red Tag as an interim measurement solution is that industry feels there is a gap between now and 2009 (when Intelligent Mail Barcodes will be required for automation discounts) where a passive measurement system will be lacking. A solution based on Red Tag may be a way to provide an interim measurement solution and save the costs of developing an interim system.

The next subgroup meeting is planned for May 2 in New York City, where the subgroup will focus on outstanding issues around standards and finalize those recommendations, then move into discussions about measurement. Mr. Farley noted that Periodicals mailers are interested in all classes of mail as Periodicals product invoices (First-Class Mail), renewals (Standard Mail), premiums (Priority Mail), Business Reply Mail, etc.

Standard Mail Subgroup. Tom Foti, Standard Mail subgroup USPS co-chair, gave an update on the progress to date of the Standard Mail subgroup. The subgroup has held 2 meetings (March 14 and April 12), with good industry representation and good discussions at both meetings.

The subgroup began its work with a baseline and Standard Mail profile from USPS on Standard Mail characteristics in terms of shape, entry, presort level, etc. The subgroup largely has focused on service standards. In its initial meeting, the subgroup established that there was a low industry awareness of the USPS service standards software and detailed standards for Standard Mail, and the current USPS standards do not meet customer needs. Mailers generally rely on their own internal measurement systems to assess USPS service performance.

Mr. Foti said that subgroup discussions quickly established that Standard Mail mailers want service consistency and predictability more than speed. The USPS' Fall Mailing Guidelines matrix (which incorporates drop ship entry point and presort level) were more useful to these mailers for communicating service standards to end users. There was some concern about consistency of standards represented in the guidelines versus the official service standards software.

The group established that because 75% of Standard Mail is drop ship entered, the standards should reflect that characteristic. The subgroup developed a service standard matrix for drop entered Standard Mail, which is similar to the existing Fall Mailing Guidelines but simpler in terms of the presort levels and break outs. The group is in the process of finalizing its recommendations around this matrix, leaving the existing service standards (as presented in the USPS software) in place for origin-entered Standard Mail (once consistency between the two models has been ensured). The matrix uses a range of days (for end to end, not through each facility), which mailers feel is better for consistency, and breaks out the presort aspect by carrier route presort vs. non-carrier route presort mail, and drop entry to the DBMC, DSCF, and DDU.

Mr. Lewis noted that the Standard Mail subgroup also established that mail delivery too early is as problematic as late delivery, so in looking at measurementagainst the standards according to the tentative proposal, delivery on day 1 at the SCF or on day 5 is a failure, the target is met only if delivery is on Day 2 , 3, or 4.

Mr. Foti noted that the subgroup also has had some discussions around seasonality and whether the standards should be adjusted during the heavy fall mailing season. Currently on the table with the subgroup is a proposal to add one day to the standards for non-carrier route presort mail dropped at the DBMC or DSCF during the months of September, October and November.

The subgroup recommended that the USPS conduct a review of its service performance in comparison to the existing standards for Standard Mail and present the results of that review to the subgroup for discussion. More discussion on this topic will take place later in the meeting.

The subgroup also agreed that the full workgroup's recommendations should include a formal review/update process for service standards in the future as business rules change, or demonstrated performance , or new technology changes are deployed, and that process should include industry input.

The subgroup at its meeting yesterday received a presentation on Intelligent Mail and service performance measurement, Mr. Foti noted. The subgroup supports Intelligent Mail Barcodes as the basis for a service performance measurement process, and initial discussions included issues such as time lines, customer adoption rates, gaps in intelligent mail (non-automation mail, DU entered mail, etc.), and determining/collecting data for a representative mail class/category.

Packages Subgroup. Pete Grottini, Packages Subgroup industry co-chair, gave an update on the progress of the Packages subgroup to date. The subgroup has held 2 telecons and 1 in-person meeting, and is discussing issues relative to Parcel Post, Bound Printed Matter parcels, Library Mail and Media Mail parcels.

The subgroup began with a USPS presentation on the existing service standards, and a request for industry to provide data on how the USPS is meeting the existing standards. Mr. Grottini reported that response has been lacking with only one industry participant providing data to date. The USPS would like to establish how USPS service as shown by customer data compares to current service standards. He noted that Start the Clock for retail parcels may present issues, but more discussion around that will occur. For destination entered packages, the 8125 will provide Start the Clock.

Main topics of discussion by the subgroup so far include origin-entered versus destination entered packages (current standards more closely align with destination entered packages, and Parcel Post performance is not near those standards); and mail make-up and preparation issues (machinable vs. non-machinable, sacks vs. pallets, automation vs. non-automation, etc.). Package service performance is unique to all processing types, he noted,, with Standard Mail parcels not processed the same as Parcel Select, versus BPM, etc. The subgroup is looking at those differences in its discussions. The subgroup would like each of those industry representatives to prepare proposal on their concept of what service standards should look like which the subgroup then can review and use to craft its final recommendations.

The subgroup's next steps are to compare industry and USPS data on actual service performance as it compares to the existing standards and develop a proposal on changes needed to the existing standards. Mr. Grottini stressed that the effort needs continued support and participation from industry and USPS. The subgroup agrees that Delivery Confirmation is the correct service performance measurement vehicle for this product group.

Mr. Lewis asked if the subgroup is close to reaching agreement on standards, and Mr. Grottini said that will depend on the final proposals from the different mail type representatives, and how closely the USPS is meeting the existing standards, which hopefully data can show. A main issue is that of retail Parcel Post because the performance likely is more around 60% compared to 90-92% for destination entry performance.

ZIPs Outside the Contiguous United States

An issue that has been raised in most of the subgroups and therefore referred to the full workgroup for discussion, is whether service standards should be adjusted for ZIP Codes outside the contiguous United States (e.g., Alaska, Hawaii, Guam, Puerto Rico, etc.). Do the existing standards take into account the USPS current network and transportation designs? Are they achievable by the USPS?

Kurt Kramer, USPS, gave an update on this issue, noting that of the 850,000 Origin/Destination 3-digit pairs on the existing service standards software, about 17,000 (2 percent) are outside the contiguous United States.

Ms. Siviter stressed that the USPS should come back at the next meeting with data on its current service performance for those 3-digit ZIPs, by mail class, because the question the workgroup is exploring is whether or not the existing standards are reasonable/attainable. In order to further discuss that issue, it would be helpful to have some performance data, over an appropriate time period, that shows what percent of the time the USPS makes the existing standards for those ZIPs.

Service Performance Measurement Using Intelligent Mail and Seamless Acceptance

Tim Gribben, USPS Intelligent Mail, presented to the workgroup a discussion of Intelligent Mail initiatives and service performance measurement. (Note: a copy of the presentation, which differs from that given by Mr. Gribben the previous day at the Standard Mail subgroup meeting, is posted on the workgroup web site. Workgroup members are encouraged to review both presentations, as well as both sets of meeting notes as some similar issues were discussed in one meeting and expanded on in the other, etc.)

Mr. Gribben said the USPS is working internally to devise an array of potential internal systems, outline a phased implementation plan and project the likely system designs and costs. Key factors being considered include current availability of equipment and barcodes, the availability of measurement tools/systems by mail type and entry location, and validations needed for service measurement.

Some key considerations the USPS has identified include what level of reporting is necessary (e.g., more than entry and exit scans); what volume/coverage is required for statistical validation; what can be done about manual mail, and what is acceptable over time in terms of service performance measurement (versus interim solutions).

The approach being contemplated by the USPS is that the mailer would provide electronic information to uniquely identify containers (pallets), handling units (trays/sacks) and mailpieces, which would provide the Start the Clock data at induction. An accurate Stop the Clock would be determined by actual or proxy scans, and the USPS then could calculate service performance by a variety of levels (e.g., by facility, by OD pairs, transportation components within OD pairs, by tray preparation, by customer, by class, etc.).

Mr. Gribben then walked the workgroup participants through a series of slides that present tables by mail type (e.g., letters, flats, parcels); mail stream (e.g., automation, non-machinable); Intelligent Mail solution envisioned; Time line by location (e.g., facility type); and barriers (e.g., customer adoption rates, etc.).

Letters. For automation letters, for instance, the Start the Clock data would be obtained through the Mail.dat or manifest, and verified at induction by pallet barcodes or dock scanners. Interim scans could be obtained from the Intelligent Mail Barcode (IMB), tray barcodes, container barcodes. Some facilities currently are able to read the Intelligent Mail barcodes on trays, he reported, and the USPS likely will allow mailers to drop to those facilities this

summer, with the system being fully implemented in the second quarter of FY 2008 to be able to read the tray barcodes at all facilities.

IMVIS, the Intelligent Mail Visibility system acts as traffic cop, Mr. Gribben said, as scans come in from machines, it re-directs where those scans should go in terms of the data flow. USPS engineering is upgrading systems through the Mail Processing Infrastructure (MPI) initiative to be able to handle the volumes of data that will be processed. The MPI initiative is ahead of schedule, he reported, and will be completed by the 4th quarter of this fiscal year.

Mr. Gribben said the USPS is looking at data validation in terms of whether the right pieces of information are included in service performance measurement reporting (e.g., data quality). Bad quality data should not be included. There are some data validation tools inherent in the Intelligent Mail Barcode, he noted, such as the ability to determine whether pieces have been forwarded or returned. Seamless acceptance provides even more information on barcode quality, address quality, etc. The USPS also is exploring a validation tool for national Critical Entry Times (CETs), he noted, which is a question that has been raised in several subgroup meetings. As CETs are determined and published, the USPS will have a way to validate whether the mail is being inducted within the CET, and then can take that into account in measuring service performance.

In terms of the Stop the Clock, Mr. Gribben noted that for the seamless acceptance pilot with First-Class Mail letters, the last delivery point sequence (DPS) scan on automation is being used as a proxy for delivery in terms of Stop the Clock. Is a hybrid system needed, or is the DPS scan adequate as a proxy? (Note: this question also was raised in the April 12 Standard Mail subgroup meeting). Mr. Gribben noted that studies of EXFC data have shown that if the mailpiece gets a delivery point sequencing (dps) scan by 10:00 a.m., then 98 percent is delivered that day. Ms. Siviter asked the group how it felt about using the dps scan as a proxy to indicate delivery for letter mail and the unanimous response was in support of doing so. No one voiced a vote for creating another scan to track actual delivery of letters, which would be extremely costly.

For manually-handled letters, Mr. Gribben said that a Start the Clock data could be obtained by the USPS scanning the Intelligent Tray Barcodes when the tray is accepted, then again at the Delivery Unit to obtain a Stop the Clock proxy. Ms. Siviter noted that what is required under the law in terms of service performance measurement data (which may include only the entry and exit data) may be inadequate to allow the USPS and customers to track and resolve service issues, so there are different needs in terms of the data.

Flats. For flats, Mr. Gribben noted that the Start the Clock would be similar to that for letters (Mail.dat file or manifest data), validated at induction with container/handling unit scans. For interim process scans, bundle scans can be obtained from APPS and SPBS equipment. For the Stop the Clock (exit) scan, the Intelligent Mail tray label and bundle scans could be obtained at the Delivery Unit. As the USPS receives the bundle at the DU, the container could be scanned at the dock, and the bundle again scanned with handheld scanner when the carrier breaks it open or when they are delivering it. The same time line would apply as for letters, he noted. The Stop the Clock would differ from the DPS proxy used for letters, and it would need to be determined what scan points would be sufficient to act as a proxy for delivery.

JoAnne Miller, USPS Periodicals subgroup co-chair, asked if the USPS plans to scan both mailer transportation and USPS transportation at the DU. Mr. Gribben said it will depend. If acceptance is at the Delivery Unit, the mailer-provided transportation would need to show receipt which would be scanned. If the transportation to the DU is USPS,

then as trays are being loaded into a container at the postal facility, scans would be obtained there. The USPS may not need another scan at the DU, that is undecided.

Joyce McGarvy, Crain Publications, expressed confusion on what would be envisioned for Periodicals, which are rarely drop shipped to the DDU, but generally entered at a plant. Once the mail leaves the bundle to get processed on flats sorting equipment, there would be no IMB on the piece and therefore no scan data, she suggested. Mr. Gribben agreed that flats not using the Intelligent Mail Barcode would be a gap in terms of service performance measurement. The USPS could obtain container scans and match to documentation to determine a Start the Clock, and then scan tubs as they are unloaded from the container, using the Tray Management System barcodes on the tubs), but when the tubs are broken down then the unique identity is lost. What hybrid system might be needed to capture that information?

Even when FSS is deployed, there will be flats processed on FSS and those that are not. How will a Stop the Clock be obtained for flats not processed on FSS? Mr. Gribben said that if the piece has an IMB, the USPS can scan the pieces on the AFSM 100 or UFSM 1000 and as the pieces are containerized, the USPS would scan the container barcode and nest that data.

Pritha Mehra, USPS, said that for mail not processed on automated equipment, the USPS is looking at doing some statistical sampling, but is still working on that.

Parcels. Mr. Gribben noted that the parcel barcode (Code 128) is envisioned as the service performance measurement support for parcels, rather than the Intelligent Mail Barcode. Start the Clock would be obtained through the eVS manifest data, then the parcel would be scanned at induction or retail entry point. He noted that the Intelligent Mail Device (IMD) handheld scanners will be fully deployed by the 3rd week in September. Right now about 85,000 have been deployed to delivery units, 13,000 to plants, with full deployment to be completed by the end of this fiscal year.

Some workgroup participants pointed out that eVS is for Parcel Select, and Ms. Mehra noted that the USPS is planning to extend eVS to all classes of parcels, but not yet sure of the time line. The software has been enabled, and the USPS is looking for test participants. The USPS does not plan to mandate eVS for all classes, but will do so for Parcel Select at some point next year, date still TBD. Mr. Grottini asked if eVS would be mandatory for those that co-palletize, and Ms. Mehra responded that it will be for those mailing Parcel Select.

Mr. Gribben noted that the barriers for parcel service performance measurement include mailer participation and whether enough mailers will participate to provide a representative statistical sample or whether alternatives need to be pursued.

Existing Measurement Systems. Mr. Gribben re-capped the existing measurement systems used by the USPS, including Confirm, EXFC, the Seamless Acceptance pilot, and industry systems such as Red Tag. He noted that the USPS would like to begin testing flats and Standard Mail in the seamless acceptance pilot and are seeking participants.

Mr. Gribben said the USPS is currently using Confirm data and is seeding pieces to obtain data between plants for diagnostic purposes.

He stated that the USPS is willing to look at any and all options in terms of providing a comprehensive measurement system, and is working to identify the gaps in Intelligent Mail measurement and how those could be mitigated now and in the future with hybrid solutions.

The workgroup asked when the USPS expects mailers of flats as well as letters would adopt the Intelligent Mail Barcode. The IMB will be required in 2009 for automation discounts, but is enough customer adoption likely prior to that time? Mr. Gribben responded that there are pieces of the Intelligent Mail measurement vision in place now, and more will become available for testing and adoption as it is further rolled out. There will be more available in the second quarter of FY 2008, he noted, when all facilities will be able to read tray barcodes and the IMDs will be deployed at the delivery units, etc.

Mr. Lewis asked for clarification as to whether the IMB required in 2009 would be a license plate or unique, and Mr. Gribben responded that has not yet been determined. He noted that for Courtesy and Business Reply Mail, ID tags tie the piece to the mailer, and those pieces can be tracked through the system as unique.

Ms. Dreifuss asked what the USPS changed on its DBCS equipment to read IMBs and whether that is completed. Mr. Gribben said it primarily is a software upgrade, although some older machines also needed hardward upgrade. A couple of smaller older machines have not been upgraded yet, but those are very low volume sites, he noted. Mr. Oronzio said that the equipment requires a Wide Field of View (WFOV) camera and those are being deployed now, so it is a combination of replacing older equipment with DBCS equipment as well as upgrading some. He said there are less than 100 of the older machines out there now and some of those already have WFOV. He said the target for completion is the end of this fiscal year.

Cross-Product Recommendations

Ms. Siviter briefed the workgroup on cross-product issues that have surfaced in multiple subgroup meetings. It was determined that these issues should be taken up by the full workgroup, rather than duplicate work at the subgroup level.

Service Standards Review Process. The workgroup will include in its recommendations the need for a regular review of the service standards, with formal customer input process. The review could be on a regular frequency, as well as triggered by certain events, such as significant changes in USPS network (e.g., plant consolidations) or technology (e.g., FSS), or initiated by a customer based on their specific business needs (e.g., re-locating major mail operations), etc. Significant improvements to the existing communication process for review and changes in standards likely will be included in the workgroup's recommendations.

Ms. Siviter noted that the workgroup likely at its next meeting will take up the task of fleshing out specific recommendations around a review process, so participants should begin to give some thought to that issue.

Communication of Service Standards. The workgroup also will include in its recommendations the need for improvements in communication/education of the USPS' service standards. This could include recommendations for an easy to use, web-based tool to identify service standards by product, and consumer education efforts to communicate appropriate service expectations. This issue also will be discussed further at the next full workgroup meeting.

Counting Methodologies. The issue of how service standards are calculated in terms of factoring in Sundays, holidays, etc. to adjustment of the expected delivery day is another issue that will be discussed at the next full workgroup meeting.

Next Steps for Subgroups

Ms. Siviter reviewed the expectations for the subgroups to pursue at their upcoming meetings, which include:

- Service Standards: Ensure that all products have been discussed; come to agreement on service standards; begin drafting recommendation for service standards; and communicate any cross-product issues to full workgroup for resolution
- Set Next 1-2 Meeting Dates
- Determine presentations/resources needed to baseline performance measurement discussions (product-specific)

Ms. Siviter noted that the following service performance measurement topics will be taken up by the full workgroup, to eliminate duplication at the subgroup level (but the topics may be discussed by the subgroups if there are product-specific issues):

- Measurement systems (internal, external, intelligent-mail based, seed-based, etc.)
- Reporting requirements (aggregate data)
- Scan data quality issues (excluded data)
- Stop the Clock indicators
- Communications/Aggregate Performance Data Access

Action Items

The following action items are noted from today's meeting:

1. **Task Owner: *USPS***

   a. The USPS should come back at the next meeting with data on its current service performance for 3-digit ZIPs outside the contiguous United States, by mail class, such as performance data that shows what percent of the time the USPS achieves the existing standards for those ZIPs. Even data from EXFC results alone would help start a dialog on this issue since if the USPS does not make the standards for First-Class Mail, it likely does not do so for other mail classes either.

Next Meeting

The next meeting of the main workgroup (including all subgroup members) will be held on **Tuesday, May 15, from 11:30 a.m. to 4:30 p.m.** (this is a change in time from the original notice, in order to accommodate another MTAC workgroup meeting that morning) at USPS Headquarters room 1P410, in Washington, DC. Further details will be distributed to participants as they are finalized.

A list of upcoming subgroup meetings was presented and has been posted on the workgroup web site.